AL MAZAYA HOLDING COMPANY K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

AL MAZAYA HOLDING COMPANY K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Al Mazaya Holding Company K.S.C.P.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mazaya Holding Company K.S.C.P. (The Parent Company) and its subsidiaries (the Group) as of September 30, 2024 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the nine months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial information performed by the Independent Auditor of the Entity." A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Emphasis of Matter

We would like to draw attention to Note 3 to the interim consolidated financial information, which states that during the period ended September 30, 2024, Al Mazaya Holding Company - K.S.C.P. (Parent Company) and First Dubai Real Estate Development Company - K.S.C.P. (Subsidiary) had completed their Merger by Amalgamation, where Al Mazaya Holding Company - K.S.C.P. was the "Merging" company and First Dubai Real Estate Development Company - K.S.C.P. was the "Merged" company. Our conclusion is not modified in respect to this matter.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review the interim consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the nine months period ended September 30, 2024 that might have had a material effect on the Group's financial position or results of its operations.

Furthermore, during our review we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority and its related regulations during the nine months for the period ended September 30, 2024 that might have had a material effect on the Group's financial position or results of its operations.

Nayef M. Al Bazie
License No. 91-A
RSM Albazie & Co.

State of Kuwait
November 7, 2024

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2024
(All amounts are in Kuwaiti Dinars)

	Note	September 30, 2024	December 31, 2023 (Audited)	September 30, 2023
ASSETS				
Current assets:				
Cash and cash equivalent	4	**8,149,540**	9,491,249	15,976,616
Term Deposits		-	-	1,100,000
Financial assets at fair value through profit or loss		-	-	590
Accounts receivable and other debit balances		**1,395,645**	1,971,527	2,031,698
Advances to purchase properties		-	-	8,260,020
Inventories		-	37,314	36,325
Properties held for trading		**10,317,353**	11,223,531	3,533,454
Assets classified as held for sale	5	-	-	15,517,211
Total current assets		**19,862,538**	22,723,621	46,455,914
Non-current assets:				
Financial assets at fair value through other comprehensive income		**2,577,553**	3,872,271	6,453,806
Investment in an associate	6	**323,335**	272,400	278,269
Property, plant and equipment	7	**80,062**	2,585,647	2,615,004
Investment properties	8	**117,158,745**	134,996,841	127,330,866
Goodwill		-	-	2254,210
Total non-current assets		**120,139,695**	141,727,159	138,932,155
Total assets		**140,002,233**	164,450,780	185,388,069
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and other credit balances	5	**5,686,046**	10,358,020	10,964,184
Advances from customers		**201,160**	1,455,507	1,118,815
Lease liabilities		**2,333,076**	2,117,740	2,005,243
Islamic bank facilities		**2,154,820**	2,713,494	3,619,391
Liabilities relating to assets classified as held for sale	5	-	-	294,956
Total current liabilities		**10,375,102**	16,644,761	18,002,589
Non-current liabilities:				
Accounts payable and other credit balances	5	**3,554,850**	3,010,231	4,171,653
Lease liabilities		**26,903,864**	28,830,799	29,129,441
Islamic bank facilities		**48,560,390**	62,818,739	74,141,107
Employees' end of service benefits		**1,717,758**	1,715,351	1,672,144
Total non-current liabilities		**80,736,862**	96,375,120	109,114,345
Total liabilities		**91,111,964**	113,019,881	127,116,934
Equity:				
Share capital	9, 15	**52,556,117**	48,474,817	62,955,982
Share premium	15	-	-	8,826,198
Treasury shares	10	**(2,009,998)**	(1,151,108)	(593,366)
Statutory reserve		**186,270**	186,270	1,124,025
Fair value reserve		**(12,901,741)**	(11,645,322)	(9,234,810)
Other reserves		-	463,988	463,988
Foreign currency translation adjustments		**432,025**	5,729,070	5,691,858
Foreign currency translation adjustments associated with assets classified as held for sale		-	-	291,328
Retained earnings (accumulated losses)		**9,458,410**	(1,681,968)	(22,519,879)
Equity attributable to shareholders of Parent Company		**47,721,083**	40,375,747	47,005,324
Non-controlling interests		**1,169,186**	11,055,152	11,265,811
Total equity		**48,890,269**	51,430,899	58,271,135
Total liabilities and equity		**140,002,233**	164,450,780	185,388,069

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.

Rasheed Y. Al Nafisi
Chairman

Ibrahim A. Al Soqabi
Chief Executive Officer

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
AS OF SEPTEMBER 30, 2024
(All amounts are in Kuwaiti Dinars)

	Notes	For the three months ended September 30, 2024	For the three months ended September 30, 2023 (Restated)	For the Nine months ended September 30, 2024	For the Nine months ended September 30, 2023 (Restated)
Continuing operations:					
Revenue:					
Revenue from sale of properties held for trading		**97,416**	259,743	**818,124**	565,556
Rental income		**3,151,313**	3,132,267	**9,378,463**	9,485,791
Medical services income		**-**	593,339	**-**	1,538,817
Net management fees and commission income		**31,729**	35,266	**108,637**	268,406
Total revenue		**3,280,458**	4,020,615	**10,305,224**	11,858,570
Costs:					
Cost of sale of properties held for trading		**(96,911)**	(255,665)	**(846,124)**	(534,933)
Cost of rental		**(586,255)**	(503,563)	**(1,904,262)**	(1,532,936)
Cost of medical services		**-**	(514,337)	**-**	(1,439,746)
Total costs		**(683,166)**	(1,273,565)	**(2,750,386)**	(3,507,615)
Gross profit		**2,597,292**	2,747,050	**7,554,838**	8,350,955
Partial gain from termination of sale of a subsidiary	5	**-**	-	**1,125,000**	-
Reversal of impairment loss on properties held for trading		**-**	-	**-**	28,149
Share of results from an associate	6	**(77,018)**	5,012	**(153,671)**	9,938
Gain on sale of investment properties		**234,327**	2,945,231	**941,270**	3,610,686
Depreciation	7	**(8,629)**	(51,389)	**(34,726)**	(158,380)
Change in fair value of investment properties	8	**-**	-	**9,836**	(2,159,630)
Selling and marketing expenses		**(12,480)**	(81,773)	**(35,478)**	(214,123)
General and administrative expenses		**(592,447)**	(842,529)	**(1,970,001)**	(2,570,750)
Operating profit		**2,141,045**	4,721,602	**7,437,068**	6,896,845
Net (loss) gain on financial assets		**(1,122)**	(13,613)	**130,843**	(30,396)
Net other expenses		**(657,405)**	(669,100)	**(1,060,642)**	(1,474,457)
Amortization of finance costs related to lease liabilities		**(393,826)**	(414,534)	**(1,198,435)**	(1,074,448)
Finance costs		**(966,108)**	(1,461,799)	**(2,997,842)**	(4,408,478)
Profit (loss) for the period from continuing operations before discontinued operations and National Labor Support Tax and Contribution to Zakat		**122,584**	2,162,556	**2,310,992**	(90,934)
Discontinued operations:					
Loss for the period from discontinued operations		**-**	-	**-**	(22,585,383)
Profit (loss) for the period before National Labor Support Tax and Contribution to Zakat		**122,584**	2,162,556	**2,310,992**	(22,676,317)
National Labor Support Tax		**(7,679)**	-	**(285,498)**	-
Contribution to Zakat		**-**	-	**(97,538)**	-
Profit (loss) for the period		**114,905**	2,162,556	**1,927,956**	(22,676,317)
Attributable to:					
Shareholders of the Parent Company		**115,359**	1,725,239	**1,731,504**	(23,099,517)
Non-controlling interests		**(454)**	437,317	**196,452**	423,200
		114,905	2,162,556	**1,927,956**	(22,676,317)
Earnings (loss) per share attributable to shareholders of the Parent Company:					
Continuing operations:					
Basic and diluted earnings (loss) per share attributable to the shareholders of the Parent Company (Fils)	11	**0.23**	2.81	**3.52**	(0.83)
Discontinued operations:					
Basic and diluted loss per share attributable to the shareholders of the Parent Company (Fils)	11	**-**	-	**-**	(36.39)
Total Basic and diluted earnings (loss) per share attributable to the shareholders of the Parent Company (Fils)	11	**0.23**	2.81	**3.52**	(37.22)

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(All amounts are in Kuwaiti Dinars)

	For the three months ended September 30,		For the Nine months ended September 30,	
	2024	2023 (Restated)	**2024**	2023 (Restated)
Profit (loss) for the period	**114,905**	2,162,556	**1,927,956**	(22,676,317)
Other comprehensive loss from continuing operations:				
Items that may be reclassified subsequently to interim condensed consolidated statement of profit or loss:				
Foreign currency translation adjustments	**(172,114)**	303,271	**(944,562)**	(1,081,315)
Items that would not be reclassified subsequently to interim condensed consolidated statement of profit or loss:				
Change in fair value of financial assets through other comprehensive income	**(26,211)**	(646,352)	**(1,294,718)**	(2,559,751)
Other comprehensive loss for the period from continuing operations	**(198,325)**	(343,081)	**(2,239,280)**	(3,641,066)
Other comprehensive income from discontinued operations:				
Other comprehensive income for the period from discontinued operations	**-**	-	**-**	21,972,363
Total other comprehensive (loss) income for the period	**(198,325)**	(343,081)	**(2,239,280)**	18,331,297
Total comprehensive (loss) income for the period	**(83,420)**	1,819,475	**(311,324)**	(4,345,020)
Attributable to:				
Shareholders of the parent company	**(80,942)**	1,367,057	**(481,862)**	(4,692,508)
Non-controlling interests	**(2,478)**	452,418	**170,538**	347,488
	(83,420)	1,819,475	**(311,324)**	(4,345,020)
Total comprehensive (loss) income for the period attributable to shareholders of the Parent Company:				
Continuing operations	**(80,942)**	1,367,057	**(481,862)**	(3,947,494)
Discontinued operations	**-**	-	**-**	(745,014)
	(80,942)	1,367,057	**(481,862)**	(4,692,508)

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(All amounts are in Kuwaiti Dinars)

	Attributable to shareholders of the Parent Company											
	Share Capital	Share premium	Treasury Shares	Statutory reserve	Fair value reserve	Other reserves	Foreign currencies translation adjustments	Foreign currency translation adjustments associated with assets classified as held for sale	(Accumulated losses) retained earnings	Sub-total	Non-controlling interests	Total
Balance as at January 1, 2024	48,474,817	-	(1,151,108)	186,270	(11,645,322)	463,988	5,729,070	-	(1,681,968)	40,375,747	11,055,152	51,430,899
Profit for the period	-	-	-	-	-	-	-	-	1,731,504	1,731,504	196,452	1,927,956
Other comprehensive loss for the period	-	-	-	-	(1,256,419)	-	(956,947)	-	-	(2,213,366)	(25,914)	(2,239,280)
Total comprehensive (loss) income for the period	-	-	-	-	(1,256,419)	-	(956,947)	-	1,731,504	(481,862)	170,538	(311,324)
Effect of merging with a subsidiary (Note 3)	4,081,300	-	-	-	-	(463,988)	(4,340,098)	-	10,293,301	9,570,515	(9,570,515)	-
Distribution of dividends as free bonus shares from treasury shares (Note 15)	-	-	884,427	-	-	-	-	-	(884,427)	-	-	-
Purchase of treasury shares	-	-	(1,743,317)	-	-	-	-	-	-	(1,743,317)	-	(1,743,317)
Disposal of a subsidiary (Note 6)	-	-	-	-	-	-	-	-	-	-	(485,989)	(485,989)
Balance as at September 30, 2024	**52,556,117**	**-**	**(2,009,998)**	**186,270**	**(12,901,741)**	**-**	**432,025**	**-**	**9,458,410**	**47,721,083**	**1,169,186**	**48,890,269**
Balance as at January 1, 2023	62,955,982	17,921,560	(1,777)	1,632,430	(6,850,132)	463,988	(14,932,065)	123,564	(9,095,362)	52,218,188	10,918,323	63,136,511
(Loss) profit for the period	-	-	-	-	-	-	-	-	(23,099,517)	(23,099,517)	423,200	(22,676,317)
Other comprehensive (loss) income for the period	-	-	-	-	(2,384,678)	-	(1,485,095)	22,276,782	-	18,407,009	(75,712)	18,331,297
Total comprehensive (loss) income for the period	-	-	-	-	(2,384,678)	-	(1,485,095)	22,276,782	(23,099,517)	(4,692,508)	347,488	(4,345,020)
Setting off accumulated losses (Note 15)	-	(9,095,362)	-	-	-	-	-	-	9,095,362	-	-	-
Distribution of dividends as free bonus shares from treasury shares	-	-	508,405	(508,405)	-	-	-	-	-	-	-	-
Effect of hyperinflation on a subsidiary	-	-	-	-	-	-	-	-	579,638	579,638	-	579,638
Transferred to foreign currency translation adjustments relating to assets classified as held for sale	-	-	-	-	-	-	22,109,018	(22,109,018)	-	-	-	-
Purchase of treasury shares	-	-	(1,099,994)	-	-	-	-	-	-	(1,099,994)	-	(1,099,994)
Balance as at September 30, 2023	62,955,982	8,826,198	(593,366)	1,124,025	(9,234,810)	463,988	5,691,858	291,328	(22,519,879)	47,005,324	11,265,811	58,271,135

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.

	Notes	For the nine months ended September 30 2024	2023 (Restated)
Cash flows from operating activities:			
Profit (loss) for the period from continuing operations before discontinued operations and before National Labor Support Tax and Contribution to Zakat		**2,310,992**	(90,934)
Loss for the period from discontinued operations		**-**	(22,585,383)
Profit (loss) for the period before National Labor Support Tax and Contribution to Zakat		**2,310,992**	(22,676,317)
Adjustments for:			
Net (profit) loss of financial assets		**(130,843)**	30,396
Net allowance for expected credit losses		**693,920**	144,602
Reversal of impairment loss on properties held for trading		**-**	(28,149)
Share of results from an associate	6	**153,671**	(9,938)
Depreciation	7	**34,726**	253,005
Change in fair value of investment properties	8	**(9,836)**	2,690,510
Partial gain from termination of sale of a subsidiary	5	**(1,125,000)**	-
Amortization of finance costs related to lease liabilities		**1,198,435**	1,074,448
Finance costs		**2,997,842**	4,408,478
Loss on disposal of subsidiaries		**-**	22,041,901
Gain on sale of investment properties		**(941,270)**	(3,610,686)
Net monetary gain		**-**	(75,048)
Provision for employees' end of service benefits		**140,096**	167,445
		5,322,733	4,410,647
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		**(34,575)**	664,281
Inventories		**-**	(35,349)
Properties held for trading		**846,124**	461,277
Accounts payable and other credit balances		**193,168**	1,176,967
Advances from customers		**(1,252,313)**	534,510
Cash flows generated from operations		**5,075,137**	7,212,333
Employees' end of service benefits paid		**(63,308)**	(75,169)
Net cash flows generated from operating activities		**5,011,829**	7,137,164
Cash flows from investing activities:			
Net movement in restricted cash balances		**4,281,466**	(782,151)
Net movement on term deposits		**-**	(1,100,000)
Proceeds from sale of financial assets at FVTPL		**-**	226,277
Net movement in assets / liabilities held for sale		**-**	406,009
Paid for purchase of property, plant and equipment		**(12,320)**	(327,087)
Paid for additions on investment properties		**(63,029)**	(410,658)
Proceeds from sale of investment properties		**12,638,790**	26,101,449
Proceeds from disposal of a subsidiary		**-**	4,027,555
Cash dividend received		**135,498**	12,242
Net cash flows generated from investing activities		**16,980,405**	28,153,636

		For the nine months ended September 30	
	Notes	**2024**	2023 (Restated)
Cash flows from financing activities:			
Lease liabilities paid		**(2,910,034)**	(2,117,236)
Net movement in Islamic bank facilities		**(10,800,845)**	(18,061,928)
Purchase of treasury shares		**(1,743,317)**	(1,099,994)
Finance costs paid		**(3,188,877)**	(4,195,099)
Net cash flows used in financing activities		**(18,643,073)**	(25,474,257)
Net increase in cash and cash equivalents		**3,349,161**	9,816,543
Foreign currency translation adjustments		**(268,844)**	(121,821)
Cash on hand and at banks relating to assets classified as held for sale		**-**	(749,383)
Cash related to disposed subsidiaries	6	**(140,560)**	(108,754)
Cash and cash equivalent at the beginning of the period	4	**3,056,489**	5,774,968
Cash and cash equivalent at the end of the period	4	**5,996,246**	14,611,553
Non-cash transactions:			
Accounts receivable and other debit balances	5	**(150,000)**	-
Advances to purchase properties		**-**	(8,260,019)
Additions on investment properties		**-**	(8,610,901)
Disposal of investment properties	5	**6,850,000**	16,870,920
Accounts payable and other credit balances	5	**(3,825,000)**	-
Islamic bank facilities	5	**(4,000,000)**	-
Settlement of the termination of a subsidiary's sale	5	**1,125,000**	-
		-	-

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.

1. Incorporation and activities

Al Mazaya Holding Company "The Parent Company" is a Kuwaiti (Public) shareholding company listed on Kuwait Boursa and Dubai Financial Market and registered in the State of Kuwait, and was incorporated based on Memorandum of Incorporation under Ref. No. 3501 / Volume 1 dated November 7, 1998 and its subsequent amendments, the latest of which was notarized in the commercial registry No. 75203 dated February 27, 2024, according to which the merge project has been notarized (Notes 3, 9 and 15).

The Parent Company's main activities based on the Articles of Association are as follows:
Ownership of Kuwaiti and foreign shareholding companies, ownership of shares and portions of limited liability Kuwaiti and foreign companies or participating in the formation of those companies, as well as managing and guaranteeing those companies, granting loans to the companies in which it owns shares in and guaranteeing them towards others, provided that the percentage of participation of the holding company in the capital of the borrowing company is not less than 20%, ownership of industrial property rights including intellectual rights, trade marks, industrial marks, industrial fees or any other rights relating to such assets and leasing them to other companies to utilize them whether inside or outside the state of Kuwait, ownership of the movable assets and real properties needed to operate within the applicable laws, utilization of its available financial surpluses by investing them in financial real estate portfolios managed by specialized companies.

The Parent Company has the right to practice its aforementioned objectives inside the State of Kuwait and abroad for itself or as agent or representative to other, the Parent Company has the right as well to have interest or to participate with entities that practice similar operations or assist the Parent Company in achieving its objectives inside and outside Kuwait, and such it has the right to establish, form partnership, purchase or merge with those entities.

The Parent Company's registered address is P.O. Box 3546, Safat 13036, State of Kuwait.

The interim consolidated financial information was authorized for issue by the Board of Directors on November 7, 2024.

2. Basis of presentation

The interim consolidated financial information has been prepared in accordance with International Accounting Standard (34). The accounting policies used in the preparation of the interim consolidated financial information for the period are consistent with those used in the preparation of the annual financial statements for the fiscal year ended December 31, 2023.

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim consolidated financial information of the Group.

The interim consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation. Operating results for the period ended September 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2023.

3. Business combination

During the year ended December 31, 2023, an agreement was concluded between Al Mazaya Holding Company - K.S.C.P. (Parent Company) and First Dubai Real Estate Development Company - K.S.C.P. (Subsidiary at that time) to enter into a Merger by Amalgamation, where Al Mazaya Holding Company - K.S.C.P. will be the "Merging" company and First Dubai Real Estate Development Company - K.S.C.P. will be the "Merged" company. The merger contract has been approved by the Capital Markets Authority on September 24, 2023. Also, the Capital Markets Authority had approved the increase of Al Mazaya Holding Company's capital from KD 48,474,817 to KD 52,556,117 via an in-kind increase amounting to KD 4,081,300 by issuing 40,813,008 new ordinary shares at 100 fils par value per share and without share premium. Those shares shall be assigned to the non-controlling shareholders of First Dubai Real Estate Development Company according to a "Share Swap Rate" of (0.497 shares) of Al Mazaya Holding Company in exchange for (1) share of First Dubai Real Estate Development Company.

During the period ended September 30, 2024, the Parent Company's Shareholders' Extraordinary General Assembly, held on January 4, 2024, approved the merger contract as well as the merger through amalgamation between Al Mazaya Holding Company and First Dubai Real Estate Development Company, after completing all approvals of the relevant regulatory authorities. That was notarized in the commercial registry No. 75203 dated February 27, 2024 (Note 15) Also, it approved the capital increase of Al Mazaya Holding Company from KD 48,474,817 to KD 52,556,117 distributed over 525,561,174 ordinary shares via an in-kind increase amounting to KD 4,081,300, distributed over 40,813,008 shares (Notes 9 and 15) which are assigned to the non-controlling Shareholders of First Dubai Real Estate Development Company that are registered in shareholders' registry of First Dubai Real Estate Development Company as on the record date. It also approved the amendment of the Company's Memorandum of Incorporation and Articles of Association regarding the increase of the Company's capital as a result of the merger.

On March 20, 2024, the "Share Swap" transaction was executed, where Al Mazaya Holding Company issued 40,813,008 shares in exchange for 82,118,729 shares of First Dubai Real Estate Development Company's shares owned by the non-controlling interest other than the Parent Company according to a "Share Swap Rate" of (0.497 shares) of Al Mazaya Holding Company in exchange for (1) share of First Dubai Real Estate Development Company. This had resulted in cancelling the Shareholders' registry of First Dubai Real Estate Development Company with Kuwait Clearing Company and increasing the Parent Company's capital by an amount of KD 4,081,300. The difference between the capital increase and the non-controlling interests acquired in addition to the amounts transferred from other reserves and foreign currency translation adjustments related to First Dubai Real Estate Development Company had amounted to KD 10,293,301 was recorded in the retained earnings.

The details of the assets and liabilities that were merged in the Parent Company according to the audited financial statements and before the required adjustments on the group level were as follows:

	March 19, 2024
Assets:	
Cash and cash equivalents	**1,984,062**
Financial assets at fair value through profit or loss	**287**
Accounts receivable and other debit balances	**145,809**
Properties held for trading	**8,316,597**
Financial assets at fair value through other comprehensive income	**1,685,870**
Due from related party	**29,532,970**
Investment properties	**23,276,905**
Investment in an associate	**16,042,057**
Total Assets	**80,984,557**
Liabilities:	
Accounts payable and other credit balances	**1,070,431**
Advances from customers	**440,610**
Provision for end of service indemnity	**173,705**
Total liabilities	**1,684,746**
Net assets	**79,299,811**

4. Cash and cash equivalent

	September 30, 2024	December 31, 2023 (Audited)	September 30, 2023
Cash on hand and at banks	**8,146,896**	9,491,249	5,544,119
Term deposits	**-**	-	10,432,497
Cash in portfolios	**2,644**	-	-
	8,149,540	9,491,249	15,976,616
Less: Restricted bank balances (a)	**(2,153,294)**	(6,434,760)	(1,365,063)
Cash and cash equivalent in consolidation statement of cash flow	**5,996,246**	3,056,489	14,611,553

a) Restricted bank balances represent escrow accounts restricted as a collateral for some bank facilities of the Group, which may not be available for use within 90 days.

5. Assets and liabilities classified as held for sale and discontinued operations

a) Assets and liabilities classified as held for sale

During the period ended September 30, 2024, the group have completed and executed all the procedures related to the termination and settlement of the agreement that included the disposal of all the shares of (Kuwaiti Saudi Real Estate Investment Company – O.P.C). against cash and in kind consideration with a net amount of 15,500,000 Kuwaiti dinars due to the second party's (the buyer) inability to fulfill his remaining obligations to complete the deal, which led the parties to terminate the deal and agree on a final settlement which includes the buyer's undertaking to assume a bank debt amounting to KD 4,000,000 relating to the properties previously transferred to the group, in addition to the payment of KD 150,000 to the group within one year period from signing the termination and settlement agreement as a final settlement between the parties. On the other hand, the group shall retransfer back to the buyer the ownership of the properties subject to that settlement which were previously transferred to it within the terms of this transaction. The termination of that transaction had resulted in the reclassification of the assets classified as held for sale and their related liabilities back to the Group's assets and liabilities, as well as reclassifying the results of operations pertaining to Kuwaiti Saudi Real Estate Investment Company - O.P.C. within the continuing operations for the current period and comparative periods.

During the year ended December 31, 2023, The Group had re-transferred the ownership of one of the properties subject to that settlement back to the buyer as part of the termination and settlement procedures. That transfer had resulted in a partial gain from the termination of that sale transaction amounting to KD 400,000 which had been recognized in the consolidated statement of profit or loss for the year ended December 31, 2023.

During the period ended September 30, 2024, the Group had completed and executed all other procedures related to that termination and settlement agreement, which resulted in the derecognition of the remaining liabilities, properties and other balances related to that transaction and hence, the Group had recognized additional gain of KD 1,125,000 which had been recognized in the interim condensed consolidated statement of profit or loss for the period ended September 30, 2024 as follows:

	Amount
Derecognition of the Group's remaining liabilities towards the buyer	**3,825,000**
Derecognition of Islamic bank facilities incurred by the buyer	**4,000,000**
Amounts due to be collected from the buyer within one year	**150,000**
Book value of other properties re-transferred back to the buyer	**(6,850,000)**
Gain from the transaction's termination and settlement	**1,125,000**

b) Discontinued operations

During the comparative year ended December 31, 2023, the group has disposed its subsidiary in Turkey "Mazaya Ritim Istanbul Insaat Anonim Sirketi" which resulted in reclassification of the assets and liabilities of that subsidiary being classified at that time to assets and liabilities subject to disposal and held for sale, as well as the reclassification of its operating results to discontinued operations, which were presented separately in the statement of financial position and the statement of profits and losses.

The Group has recorded the impact of this transaction during the comparative year ended December 31, 2023, based on the subsidiary's financial position as at April 13, 2023 (date of sale transaction completion).

6. Investment in associate

			Percentage of ownership %			Amount		
Name of Company	Country of incorporation	Principal activities	**September 30, 2024**	December 31, 2023 (Audited)	September 30, 2023	**September 30, 2024**	December 31, 2023 (Audited)	September 30, 2023
Med White – Images company – joint venture	State of Kuwait	Medical services	**-**	%30	30%	**-**	272,400	278,269
MedCell Medical Company K.S.C. (closed)	State of Kuwait	Medical services	**%50**	-	-	**323,335**	-	-
						323,335	272,400	278,269

The movement during the period / year was as follows:

	September 30, 2024	December 31, 2023 (Audited)	September 30, 2023
Balance at the beginning of period / year	**272,400**	268,331	268,331
Disposal of an associate (a)	**(272,400)**	-	-
Addition of an associate (a)	**484,048**	-	-
Adjustments	**(7,042)**	-	-
Group's share of results from an associate	**(153,671)**	4,069	9,938
Balance at the end of the period / year	**323,335**	272,400	278,269

(a) During the period ended September 30, 2024, the members representing the Parent Company in the Board of Directors of Med Cell Medical Company (a former subsidiary) have been reduced resulting in the loss of control for Parent Company over that subsidiary and accordingly, it was reclassified as an associate company that is accounted for under the equity method. This had also resulted in the exclusion of Med White Images – Joint Venture from the Group's records during the period ended September 30, 2024, as it is an associate of Med Cell Medical Company (the former subsidiary).

The assets and liabilities as at the date of losing control as follows:

	MedCell Medical Company
Assets:	
Cash on hand and at banks	**140,560**
Accounts receivable and other debit balances	**101,560**
Inventory	**37,314**
Investment in an associate	**272,400**
Plant and equipment	**1,668,353**
Total assets	**2,220,187**
Liabilities:	
Accounts payable and other credit balances	**484,631**
Lease liabilities	**470,437**
Due to related parties	**235,529**
Provision for end of services indemnity	**73,665**
Total liabilities	**1,264,262**
Net assets	**955,925**
Adjustments	**14,112**
	970,037
Group ownership %	**50%**
Carrying value	**484,048**

The associate's financial statements summarized as follows:

Consolidated financial position summarized as follows:

	September 30, 2024 (Unaudited)
Assets	**2,037,711**
Liabilities	**1,389,748**
Equity	**647,963**
Group ownership %	**50%**
Carrying value	**323,335**

Consolidated statement of profit or loss and other comprehensive income summarized as follows:

	For the nine months ended September 30, 2024 (Unaudited)
Revenues	**2,301,210**
Loss for the period	**(307,959)**
Share of results from an associate	**(153,671)**

7. Property, plant and equipment

	Right of use assets (a)	Medical tools and equipment	Computers and software	Furniture and fixtures and others	Total
Cost:					
At December 31, 2023	1,561,270	303,086	1,518,100	1,989,860	5,372,316
Additions	-	-	9,979	2,341	12,320
Transferred to investment properties (a) (Note 8)	(1,561,270)	-	-	-	(1,561,270)
Related to disposal of a subsidiary	-	(303,086)	(193,527)	(969,117)	(1,465,730)
Foreign currency translation adjustments	-	-	(642)	(903)	(1,545)
At September 30, 2024	**-**	**-**	**1,333,910**	**1,022,181**	**2,356,091**
Accumulated depreciation:					
At December 31, 2023	290,268	47,264	1,331,288	1,117,849	2,786,669
Charge for the period	-	-	29,938	4,788	34,726
Related to transferred to investment properties (a) (Note 8)	(290,268)	-	-	-	(290,268)
Related to disposal of a subsidiary	-	(47,264)	(92,087)	(114,351)	(253,702)
Foreign currency translation adjustments	-	-	(577)	(819)	(1,396)
At September 30, 2024	-	-	**1,268,562**	**1,007,467**	**2,276,029**
Net book value					
At September 30, 2024	**-**	**-**	**65,348**	**14,714**	**80,062**
At December 31, 2023	1,271,002	255,822	186,812	872,011	2,585,647

(a) During the period ended on September 30, 2024, the Group has transferred the net book value of the rights of use assets amounting to KD 1,271,002 from Property, plant and equipment to investment properties (Note 8), as those rights were used by one of the group's subsidiaries in its activity. That subsidiary was disposed of and transferred to an associate during the period ended September 30, 2024 (Note 6).

8. Investment properties

The movement during the period / year is as follows:

	September 30, 2024	December 31, 2023 (Audited)	September 30, 2023
Balance at the beginning of the period / year	**134,996,841**	159,901,075	159,901,075
Additions	**63,029**	14,654,339	14,458,720
Net transfer from property, plant and equipment (Note 7)	**1,271,002**	-	-
Net reclassification from / to assets classified as held for sale	**-**	10,084,766	(4,630,178)
Disposals	**(18,547,520)**	(45,231,074)	(39,361,684)
Change in fair value (a)	**9,836**	(2,850,156)	(1,808,833)
Foreign currency translation adjustment	**(634,443)**	(1,562,109)	(1,228,234)
Balance at the end of the period / year	**117,158,745**	134,996,841	127,330,866

(a) As a result of the issuance of the audited financial statements of First Dubai Real Estate Development Company K.S.C.P. for the purpose of merging with the Parent Company (Note 3), the Group has valuated the investment properties included in the financial statements of First Dubai Real Estate Development Company K.S.C.P. as at the date of the merger, resulting in a change in the fair value of those investment properties amounting to KD 9,836.

The Group has complied with the Executive Regulations of Capital Markets Authority regarding the valuation of investment properties. Valuation of investment properties was conducted by independent appraisers with recognized and relevant professional qualifications using recognized valuation techniques and principles.

9. Share Capital

The authorized, issued and paid up capital consist of 525,561,174 shares (December 31,2023 – 484,748,166 shares, September 30,2023 - 629,559,816 shares) with a nominal value of 100 fils each and all shares are in cash.

The Parent Company's Extraordinary General Assembly, held on January 4, 2024, approved the capital increase of Al Mazaya Holding Company K.S.C.P. from KD 48,474,817 to KD 52,556,117 by an amount of KD 4,081,300, Which was notarized in the commercial register No. 75203 dated February 22, 2024 (Notes 3 and 15).

10. Treasury shares

	September 30, 2024	December 31, 2023 (Audited)	September 30, 2023
Number of shares	**28,007,941**	17,641,197	12,855,998
Percentage of issued shares (%)	**5.329**	3.639	2.042
Market value (KD)	**2,016,572**	1,287,807	719,936
Cost (KD)	**2,009,998**	1,151,108	593,366

The Parent Company's management has allotted an amount equal to treasury shares balance from retained earnings as of September 30, 2024. Such amount will not be available for distribution during treasury shares holding period.

11. Basic and diluted earnings (loss) per share

The information necessary to calculate basic and diluted earnings (loss) per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023 (Restated)	**2024**	2023 (Restated)
Profit (loss) for the period attributable to equity holders of the Parent Company from continuing operations	**115,359**	1,725,239	**1,731,504**	(514,134)
Loss for the period attributable to equity holders of the Parent Company from discontinued operations	**-**	-	**-**	(22,585,383)
Profit (loss) for the period attributable to equity holders of the Parent Company	**115,359**	1,725,239	**1,731,504**	(23,099,517)
Number of shares outstanding:				
Number of issued shares at beginning of the period	**525,561,174**	629,559,816	**484,748,166**	629,559,816
Weighted average number of capital appreciation shares	**-**	-	**33,067,474**	-
Less: Weighted average number of treasury shares	**(26,287,711)**	(15,187,293)	**(25,384,472)**	(8,920,488)
Weighted average number of shares outstanding	**499,273,463**	614,372,523	**492,431,168**	620,639,328
Basic and diluted earnings (loss) per share attributable to equity holders of the Parent Company from continuing operations (Fils)	**0.23**	2.81	**3.52**	(0.83)
Basic and diluted loss per share attributable to equity holders of the Parent Company from discontinued operations (Fils)	**-**	-	**-**	(36.39)
Total basic and diluted earnings (loss) per share attributable to equity holders of the Parent Company (Fils)	**0.23**	2.81	**3.52**	(37.22)

Since there are no diluted instruments outstanding, basic and diluted earnings (loss) per share are identical.

12. Related party disclosures

The Group has entered into various transactions with related parties, i.e. key management personnel, an associate company and other related parties. Prices and terms of payment are to be approved by the Group's management. Significant related party transactions and balances are as follows:

Interim condensed consolidated statement of financial position:

	Associate Company	Key management personnel	**September 30, 2024**	December 31, 2023 (Audited)	September 30, 2023
Accounts receivable and other debit balances	291,945	-	**291,945**	-	-
Accounts payable and other credit balances	-	41,317	**41,317**	718	39,023
Advances from customers	-	42,971	**42,971**	88,966	-
Lease liabilities (a)	-	5,978,833	**5,978,833**	6,401,586	6,539,100

Amounts due from / to related parties are interest free and are receivable or payable on demand.

Transactions included in the interim condensed consolidated statement of profit or loss:

			For the nine months ended September 30,	
	Associate Company	Key management personnel	**2024**	2023
Rental income	352,547	6,462	**359,009**	6,462
Rental costs	(527,436)	-	**(527,436)**	-
Selling and marketing expenses	(13,400)	-	**(13,400)**	-
Amortization of finance cost related to lease liabilities	-	(225,249)	**(225,249)**	(245,051)

a) The amounts recognized for this lease liability montioned above as at September 30, 2024 that compose part of the Groups' consolidated lease liabilities can be presented as follows:

	September 30, 2024	September 30, 2023
Lease liability within one year	**949,500**	909,000
Remaining liability till end of lease term	**6,610,500**	7,515,000
Total lease liability	**7,560,000**	8,424,000
Less: Unamortized future finance charge	**(1,581,167)**	(1,884,900)
Present value of minimum lease payments	**5,978,833**	6,539,100

Compensation to key management personnel:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	**2024**	2023
Short term benefits	**149,538**	126,089	**448,614**	378,269
Terminal benefits	**14,383**	11,832	**43,148**	35,496
	163,921	137,921	**491,762**	413,765

Some key management personnel and their relatives own 33.3% of the Associate (MedCell Medical Company K.S.C. (closed).

13. Segment information

For management purposes, the Group is divided into geographical segments that are: State of Kuwait, United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA) and others, where the Group performs its main activities in the real estate segment. There is no income generating transactions between the Group's segments.

	Nine months period ended September 30, 2024						Nine months period ended September 30, 2023 (Restated)					
	Kuwait	UAE	KSA	Turkey	Others	Total	Kuwait	UAE	KSA	Turkey	Others	Total
Segment revenue from continuing operations	**8,074,810**	**214,467**	**738,732**	**-**	**1,277,215**	**10,305,224**	9,388,438	1,467,297	596,288	-	406,547	11,858,570
Segment revenue from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	135,477	-	135,477
Segment profit (loss) from continuing operations	**1,761,336**	**18,119**	**479,935**	**-**	**(331,434)**	**1,927,956**	(3,303,357)	2,705,967	162,173	-	344,283	(90,934)
Segment loss from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	(22,585,383)	-	(22,585,383)

	As at September 30, 2024						As at September 30, 2023					
	Kuwait	UAE	KSA	Turkey	Others	Total	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	**98,768,745**	**16,784,997**	**14,607,615**	**-**	**9,840,876**	**140,002,233**	122,663,659	34,281,263	15,517,211	-	12,925,936	185,388,069
Total segment liabilities	**83,996,371**	**3,868,113**	**399,396**	**-**	**2,848,084**	**91,111,964**	116,858,726	5,277,962	294,956	-	4,685,290	127,116,934

	As at December 31, 2023 (Audited)					
	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	109,396,842	28,330,078	14,640,666	-	12,083,194	164,450,780
Total segment liabilities	103,062,347	4,799,622	436,250	-	4,721,662	113,019,881

14. <u>Contingent liabilities and legal cases</u>

As at September 30, 2024, the Group is contingently liable in respect of letters of guarantee amounting to KD 165,325 (December 31, 2023 - KD 193,492, September 30, 2023 - 265,691).

During the year ended December 31, 2020, two subsidiaries of the group had filed lawsuits before the courts of the Emirate of Dubai in the United Arab Emirates against some investors regarding the development of real estate projects in the Emirate of Dubai in the United Arab Emirates. During the year ended December 31, 2021, the Court of Cassation upheld the judgment issued by the Court of Appeal, which had previously upheld the judgment of the Court of First Instance issued in favor of the two subsidiaries of the group about their entitlement to a total amount of AED 19,780,852, in addition to the legal interest of 9% from the date of the judicial claim till full settlement, whereby the entitlement of those subsidiaries including the legal interest until December 31, 2021 had amounted to AED 26,007,266 (equivalent to KD 2,174,102) according to the latest calculations for that entitlement by the court, and hence, the management of those subsidiaries had decided to reverse the provisions recorded in their books against their full entitled amount according to the Court's verdict including the legal interest up till December 31, 2021 which is reported as provisions no longer required in the consolidated statement of profit or loss for the year ended December 31, 2021. The subsidiaries of the group initiated legal execution procedures against those investors for the fulfilment of that verdict along with its legal interest, which resulted in the collection of almost 89% from the total amount due to the two subsidiaries till September 30, 2024, whereas the remaining amount is currently under collection by the Group's two subsidiaries in the United Arab Emirates. As a result of those lawsuits, the defendants filed a counter-lawsuit against the Parent Company, the two subsidiaries and others demanding for the payment of AED 261,026,454 (equivalent to KD 21,820,754) in addition to the legal interest of 5% from the date of the judicial claim till full settlement, in addition to demanding payment of AED 50,000,000 (equivalent to KD 4,179,798) as compensation for lost profits. a court verdict was issued by the Court of First Instance in favor of the defendants (Parent Company, the two subsidiaries, and others) to disregard this lawsuit because of the previous judgement in that lawsuit, and obligating the plaintiffs to pay the deferred fees yet to be paid for that lawsuit. The plaintiff had appealed in front of Court of Appeal against the Court of First Instance's verdict, and the lawsuit is still currently under hearing in front of the legal courts. The Group's independent legal counsel believes that the Group has a solid standing in those lawsuits based on the ruling issued in the Group's favor by the Court of First Instance, and hence, no provisions were booked against those lawsuits as of the date of the accompanying interim consolidated financial information.

During the comparative year ended December 31, 2023, some buyers of real estate units in one of the Group's projects in the Emirate of Dubai filed a lawsuit demanding to terminate the booking forms of the subject real estate units and to refund an amount of AED 5,530,321 (equivalent to KD 462,312) in addition to the legal interest of 9% until full payment. During the period ended September 30, 2024, the Court of First Instance issued a judgment obliging the parent company and its subsidiary jointly to pay an amount of AED 2,944,130 (equivalent to KD 244,874) and the legal interest thereon at the rate of 5% annually from the date of the judicial claim until full payment. The Group, as a precautionary measure, had recorded full provisions for the value of that judicial claim in its records during the year 2023 which exceeds the verdict value that was ruled against the Group. Subsequent to the accompanying interim consolidated financial information date, the Court of Appeal had upheld the Court of First Instance's verdict. The Group is currently in process of appealing against this ruling in front of the Court of Cassation.

A subsidiary to the Parent Company in the Emirate of Dubai had filed a lawsuit (as a precautionary measure in order to avoid the statute of limitation related to the date of filing that lawsuit) against several parties demanding them to bear the costs of rectifying the defects and repairing some buildings in the Emirate of Dubai that they had previously developed for the benefit of the subsidiary during the period from 2007 to 2015, due to their responsibility for the development work and supervising the developments of those buildings for the benefit of the subsidiary as some defects that require repairs, where the Company demands to oblige the defendants with a total amount of AED 82,022,600 (equivalent to KD 6,856,757) in addition to the legal interest of 5% from the date of the judicial claim till full settlement date, in addition to demanding that some of the other defendants be obligated to an amount of AED 23,200,000 in solidarity with the first defendant parties (equivalent to the amount of KD 1,939,426) in addition to the legal interest of 5% from the date of the judicial claim till full settlement date, which represents the estimated budget of the repair costs for the subject buildings that resulted from development defects by the main contractor and subcontractors in addition to reserving the right to request compensation after assessing the damages and losses as well as obliging the defendants to pay the related fees, expenses, and attorney's fees. During the period ended September 30, 2024, the subsidiary amended its claim in that lawsuit by an additional claim amounting to AED 40,000,000 (equivalent to KD 3,326,940) as monetary and punitive compensation, this lawsuit is still pending in court as at the date of the accompanying consolidated interim financial information. In the same regard, there are some lawsuits filed against that subsidiary by some unit owners in those buildings that are being repaired to claim the termination of their unit contracts and compensation for damages, the independent legal advisor of the company believes that the subsidiary has the recourse right against the developing parties of these buildings with all these damages and compensations once ruled for by the court against the company, which is the subject of the aforementioned lawsuit filed by the subsidiary, as those lawsuits are still currently under hearing in front of the legal courts. Accordingly, no additional provisions were booked in respect of these claims as at the date of the accompanying consolidated interim financial information.

A subsidiary to the Group in Sultanate of Oman had filed a Criminal Complaint against some of its employees because of fraudulent activities amounting to OMR 242,604 (equivalent to KD 192,508) related to collection of sales and rental proceeds for some units. The Public Prosecutor in Sultanate of Oman had appointed an independent certified accounting expert to inspect that complaint filed by the subsidiary to determine the final amounts that were seized up by those employees in order to complete the related legal procedures. There is no financial impact on that subsidiary due to the existence of enough provisions previously recognized in the subsidiary's records against the uncollected amounts as of the accompanied interim consolidated financial information date.

15. <u>Parent Company's Annual General Assembly and Board of Directors approvals</u>

Based on the Parent Company's Ordinary General Assembly resolution on March 26, 2024 that approved and authorized the Board of Directors to distribute interim dividends (semi-annually or quarterly) and to determine the distribution rate of those interim dividends to the shareholders, the Parent Company's Board of Directors, held on May 9, 2024 had decided to distribute interim dividends as free bonus shares from treasury shares at the rate of 2.5% to the shareholders registered in the Parent Company's registry as at the record date according to their ownership interest. The related impact of those dividends has been recognized by reducing the retained earnings by KD 884,427 without increasing the Parent Company's capital or the number of issued shares on the record date of those dividends.

The Parent Company's Shareholders' Annual General Assembly, held on March 26, 2024, had approved the consolidated financial statements of the Group for the year ended December 31, 2023 as well as the following:

- Not to distribute cash dividends or bonus shares for the year ended December 31, 2023.
- To authorize the Board of Directors to distribute interim dividends (quarterly or semi-annually) to the Shareholders of the Parent Company starting from the first interim financial statements of the Group following the completion of the merger with First Dubai Real Estate Development Company, and to authorize the Board of Directors to determine the dividends distribution rate, provided that such distribution must be from real profits in accordance with applicable accounting principles and without impacting the Company's paid-up capital.
- Not to pay Board of Directors remuneration for the year ended December 31, 2023.

The Parent Company's Shareholders' Extraordinary General Assembly, held on January 4, 2024, had approved the merger contract as well as the merger through amalgamation between Al Mazaya Holding Company K.S.C.P and First Dubai Real Estate Development Company K.S.C.P, after completing all approvals of the relevant regulatory authorities. That was notarized in the commercial registry No. 75203 dated February 27, 2024. Also, it approved the capital increase of Al Mazaya Holding Company from KD 48,474,817 to KD 52,556,117 distributed over 525,561,174 ordinary shares via an in-kind increase amounting to KD 4,081,300, distributed over 40,813,008 shares (Notes 3 and 9) which is assigned to the non-controlling shareholders of First Dubai Real Estate Development Company that are registered in First Dubai Real Estate Development Company shareholders' registry as on the record date, In addition, it approved approving the amendment of the Company's Memorandum of Incorporation and Articles of Association regarding the increase of the Company's capital as a result of that merger (Note 1), which was notarized in the commercial register No. 75203 on February 22, 2024.

The Annual General Meeting of the Shareholders held on March 16, 2023, has approved the consolidated financial statements of the Group for the year ended December 31, 2022 and approved the following items:

- Not to distribute cash dividends or bonus shares for the year ended December 31, 2022.
- Not to pay Board of Directors remuneration for the year ended December 31, 2022.
- To offset the entire accumulated loss balance amounted to KD 9,095,362 as at December 31, 2022 against reducing the balance of the share premium from KD 17,921,560 to KD 8,826,198.

The Parent Company's Shareholders' Ordinary and Extraordinary General Assembly meeting, held on October 5, 2023, approved the reduction of the Parent Company's authorized, issued and paid up capital from KD 62,955,982 to KD 48,474,817, with total reduction of KD 14,481,165 to set-off the full balance of the accumulated losses amounting to KD 24,245,118 as per the audited consolidated financial statements for the period ended June 30, 2023, as follows:

- Reducing the balance of statutory reserve by KD 937,755.
- Reducing the full balance of share premium by KD 8,826,198.
- Reducing the share capital by KD 14,481,165 through cancelling 144,811,650 shares with a par value of 100 fils per share to set-off the remaining portion of the accumulated losses balance.

16. <u>Fair value measurement</u>

The Group measures financial assets such as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and non-financial assets such as investment properties at fair value at the end of the financial period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

The details of fair value measurement hierarchy are as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of captions recorded at fair value by level of the fair value hierarchy:

	September 30, 2024		
	Level 2	**Level 3**	**Total**
Financial assets at FVTOCI	**1,270,715**	**1,306,838**	**2,577,553**
Investment properties	**16,938,024**	**100,220,721**	**117,158,745**
Total	**18,208,739**	**101,527,559**	**119,736,298**

	December 31, 2023 (Audited)		
	Level 2	Level 3	Total
Financial assets at FVTOCI	1,328,757	2,543,514	3,872,271
Investment properties	29,137,047	105,859,794	134,996,841
Total	30,465,804	108,403,308	138,869,112

	September 30, 2023		
	Level 2	Level 3	Total
Financial assets at FVTPL	-	590	590
Financial assets at FVTOCI	1,468,874	4,984,932	6,453,806
Investment properties (a)	35,596,150	106,449,660	142,045,810
Total	37,065,024	111,435,182	148,500,206

a) Investment properties include all properties listed under properties held for sale.

There were no transfers between Levels during the period.

Movements in level 3 assets during the financial period / year are set out below:

	Financial assets ("FVTPL")	Financial assets ("FVTOCI")	Investment properties	Total
Balance as at January 1, 2024	-	2,543,514	105,859,794	108,403,308
Additions	-	-	55,091	55,091
Disposals	-	-	(6,850,000)	(6,850,000)
Net transferred from properties, plant, and equipment	-	-	1,271,002	1,271,002
Gains recognised in consolidated statement of profit or loss	-	-	11,490	11,490
Losses recognised in consolidated statement of other comprehensive income	-	(1,236,676)	(126,656)	(1,363,332)
Balance as at 30 September 2024	**-**	**1,306,838**	**100,220,721**	**101,527,559**

	Financial assets ("FVTPL")	Financial assets ("FVTOCI")	Investment properties	Total
Balance as at January 1, 2023	155,971	7,787,909	109,349,804	117,293,684
Additions	-	-	5,977,387	5,977,387
Disposals	(150,708)	-	(6,444,260)	(6,594,968)
Effect of hyperinflation on a subsidiary	-	-	686,934	686,934
Losses recognised in consolidated statement of profit or loss	(5,263)	-	(3,729,918)	(3,735,181)
(Losses) gains recognised in consolidated statement of profit or loss	-	(5,244,395)	19,847	(5,224,548)
Balance as at 31 December 2023 (audited)	-	2,543,514	105,859,794	108,403,308

	Financial assets ("FVTPL")	Financial assets ("FVTOCI")	Investment properties (a)	Total
Balance as at January 1, 2023	155,971	7,787,909	109,349,804	117,293,684
Additions	-	-	5,781,768	5,781,768
Disposals	(150,676)	-	(6,444,260)	(6,594,936)
Effect of hyperinflation on a subsidiary	-	-	686,934	686,934
Losses recognised in consolidated statement of profit or loss	(4,705)	-	(3,104,734)	(3,109,439)
(Losses) gains recognised in consolidated statement of profit or loss	-	(2,802,977)	180,148	(2,622,829)
Balance as at 30 September 2023	590	4,984,932	106,449,660	111,435,182

(a) Investment properties include all the properties included under assets classified as held for sale.